

Conservation Program Comparison for Grass Filter Strip – 15 Year Contract

Landowner has 3.2 acres of environmentally sensitive property along an Indiana stream. He currently receives \$90 per acre from the tenant farmer to rent. The following shows his current income from this property by enrolling this ground into Conservation Reserve Enhancement Program under a 15 year contract.

Program details:

Conservation Reserve Enhancement Program provides a yearly rental rate of:

- 140 percent of the designated Soil Rental Rate (in this case \$90)/acre/year which varies around the state
- Signing incentive payment of \$10/acre/year **up to 10 years**
- Maintenance payment of \$4/acre/year
- One-time state incentive payment of \$100(grass) or \$400(trees or wetlands)

Scenario 1: Rents Ground to Farmer

- \$90/acre/year
- 3.2 Acres X \$90 = **\$288.00 Annually**

Scenario 2: Landowner enrolls in the Conservation Reserve Enhancement Program (CREP) to install a grass filter strip under a 15 year contract

- Rent (R) = \$90 X 140% = **\$126/acre/year**
- Signing Incentive (SI) = \$10/Acre/Year divided by 15 Years = **\$6.66/Acre/Year**
- Maintenance Payment (MP) = **\$4.00/Acre/Year**
- CREP State Incentive (CSI) = \$100/Acre divided by 15 Years = **\$6.66/Acre/Year**
- R + SI + MP + CSI = **\$143.32/Acre/Year**
- 3.2 Acres X \$143.32 = **\$458.62 Annually**